

## Message Text

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INFO OCT-01 ISO-00 PM-05 NSC-05 SP-02 SS-15 L-03 H-01  
CIAE-00 INR-10 NSAE-00 DODE-00 EB-08 SIL-01 /063 W  
-----102628 300904Z /12

R 292054Z JUN 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 4097  
INFO AMCONSUL BORDEAUX  
AMCONSUL LYON  
AMCONSUL MARSEILLE  
AMCONSUL NICE  
AMCONSUL STRASBOURG

C O N F I D E N T I A L SECTION 01 OF 03 PARIS 20806

E.O. 11652: GDS  
TAGS: PGOV, PINT, ELAB, FR  
SUBJECT: ONE ELYSEE VIEW OF GISCARD'S POLITICAL STRA-  
TEGY

SUMMARY. THE PRESIDENT'S ADVISOR FOR LEGAL AND SOCIAL AFFAIRS WAS FAIRLY DOWNBEAT ABOUT HIS PATRON'S CHANCES TO CARRY OUT HIS LONG-TERM GOAL OF DIALOGUE WITH THE OPPOSITION AND ALTERNANCE OF POWER. THE POLITICAL CONTEXT AFTER THE MARCH ELECTIONS STILL REMAINS TOO RIGID, SOCIAL RELATIONS HAVE NOT MOVED FORWARD ENOUGH, AND IN THE MEANTIME TIME'S A-WASTING. THE ONE REFORM WHICH COULD BREAK THE POLITICAL LOGJAM, PROPORTIONAL REPRESENTATION, IS NO LONGER BEING ACTIVELY CONSIDERED BY THE PRESIDENT. MANAGEMENT NEGOTIATIONS WITH THE UNIONS, ESPECIALLY THE CFDT, IS ONE AREA WHICH COULD POSSIBLY LEAD TO SOME BREAKING DOWN OF THE POLITICAL WALLS WHICH ARTIFICIALLY DIVIDE FRENCHMEN. NONE OF THESE PROBLEMS, HOWEVER, ACCORDING TO THIS ADVISOR, SHOULD SERIOUSLY THREATEN GISCARD'S CHANCES FOR A SECOND TERM IN 1981. WHAT IS THREATENED IS HIS VISION OF A FRANCE, AT PEACE  
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WITH ITSELF, WHICH ALLOWS FOR "REASONABLE COHABITATION" BETWEEN INS AND OUTS AND AS A CONSEQUENCE ECONOMICALLY AND TECHNICALLY STRONG. END SUMMARY.

1. OLIVIER FOUQUET (PROTECT THROUGHOUT), DESPITE HIS 35 YEARS, HAS AS MUCH EXPERIENCE IN THE ELYSEE AS ANY ADVISOR ON THE PRESIDENT'S STAFF. FOUQUET WORKED FOR

GISCARD IN THE MINISTRY OF FINANCE AND MOVED WITH HIM TO THE ELYSEE AFTER THE PRESIDENTIAL VICTORY OF 1974. FROM HIS POSITION AS ADVISOR FOR LEGAL AND SOCIAL AFFAIRS, FOUQUET OBVIOUSLY HAS OBTAINED A UNIQUE BIRD'S-EYE VIEW OF THE ECONOMIC, POLITICAL AND SOCIAL PROBLEMS WHICH FACE THE PRESIDENT, THE GOVERNMENT AND THE COUNTRY. HE HAS BEEN GIVEN SOME OF THE MOST DIFFICULT PROBLEMS TO FOLLOW OVER THE PAST COUPLE OF YEARS AND HAS ALMOST DAILY CONTACT WITH THE PRESIDENT. HIS VIEWS APPARENTLY CONTRAST WITH THOSE OF HIS BOSS, WHO NO DOUBT FEELS OBLIGED TO APPEAR OPTIMISTIC PUBLICLY; BUT GIVEN FOUQUET'S CLOSE ASSOCIATION WITH GISCARD, THESE VIEWS ARE PROBABLY CONSISTENT WITH THE PRESIDENT'S REAL APPRECIATION OF THE FUTURE.

2. THE POLITICAL CONSTRAINTS: FOUQUET TALKED TO (NOT WITH) US FOR TWO HOURS ON JUNE 13, WITHOUT GIVING ONE HINT OF A REASON TO BE OPTIMISTIC ABOUT THE CHANCES FOR GISCARD'S LONG-TERM POLITICAL GOALS. DESPITE THE MAJORITY'S VICTORY LAST MARCH, FRANCE REMAINS ALMOST AS DIVIDED AS BEFORE. MITTERRAND, MARCHAIS AND LABOR LEADERS MAY HAVE COME TO THE ELYSEE AND MATIGNON IMMEDIATELY FOLLOWING THE ELECTIONS, BUT THERE IS PRECIOUS LITTLE TO SHOW FOR THESE MEETINGS THREE MONTHS LATER. FOUQUET GAVE A CURIOUS EXPLANATION FOR THIS VOID, NAMELY THAT A DIVIDED LEFT HAS IMMOBILIZED THE PS IN ANY POSSIBLE

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DEALINGS WITH THE GOF AND PREVENTED ANY MODERATION IN THE PCF. TO TAKE ONE EXAMPLE, THE PS WAS WILLING TO PUT ONE (TOKEN?) DEPUTY IN THE FRENCH SSOD DELEGATION, BUT THE PCF USED THE GOF'S OFFER TO ATTACK BOTH THE GOVERNMENT AND THE PS -- BLAMING THE LATTER WITH TURNING TO THE RIGHT AND COLLUDING WITH THE ESTABLISHMENT. PRESUMABLY, ACCORDING TO FOUQUET'S ANALYSIS, THE PS IS SUFFERING FROM AN IDENTITY CRISIS AND INTERNAL DIVISIONS AND IS CONSTANTLY LOOKING OVER ITS SHOULDER FOR THE NEXT PCF CHARGE. THIS ATTITUDE HAS LED TO A RIGIDITY IN THE PS AND AN EXTRA EFFORT TO PROVE TO THE LEFT ELECTORATE THAT IT IS NOT TEMPTED BY SOCIAL DEMOCRACY. IF THE LEFT HAD REMAINED MORE UNITED AFTER MARCH, FOUQUET CONTINUED, THE PS WOULD NOT BE SUFFERING FROM THIS COMPLEX AND THERE MIGHT EVEN HAVE BEEN SOME HOPE OF MODERATE FORCES GAINING GROUND IN THE PCF.

COMMENT: THE ARGUMENT CAN JUST AS WELL BE MADE THAT THE PS/PCF SPLIT HAS GIVEN THE PS MORE LIBERTY OF ACTION TO DEAL CONSTRUCTIVELY WITH THE GOF. THE PS HAS IN FACT INDICATED A WILLINGNESS TO ACCEPT CONSULTATIONS BEFORE THE BREMEN AND BONN SUMMITS, SPECIFICALLY REFERRED TO IN GISCARD'S JUNE 14 PRESS CONFERENCE (PARIS

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-05 NSC-05 SP-02 SS-15 CIAE-00  
INR-10 NSAE-00 L-03 H-01 DODE-00 EB-08 SIL-01  
/063 W

-----102766 300904Z /12

R 292054Z JUN 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 4098  
INFO AMCONSUL BORDEAUX  
AMCONSUL LYON  
AMCONSUL MARSEILLE  
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19199). WHAT FOUQUET'S EXPLANATION POINTS UP MORE THAN ANYTHING ELSE IS THE LIMITS OF THE NORMALIZATION PROCESS IN PRESENT-DAY FRANCE, WHETHER THE PS AND PCF ARE TOGETHER OR NOT.

3. TIMING: A KEY FACTOR. THE ONE SLIGHTLY POSITIVE NOTE SOUNDED BY FOUQUET WAS THAT GISCARD AND HIS ADVISORS SEEM TO HAVE A GOOD, REALISTIC SENSE OF THE POSSIBLE. "DON'T EXPECT ANYTHING DRAMATIC TO HAPPEN FOR THREE OR FOUR YEARS", HE SAID. WHATEVER HAPPENS BETWEEN NOW AND THEN, EITHER POLITICALLY OR SOCIALLY, WILL BE SYMBOLIC AND DONE WITH A VIEW TO CHANGING THE ATMOSPHERE IN ORDER TO PREPARE FOR ANOTHER, GRADUAL STEP. FOUQUET ADMITTED THAT THE FUTURE, EVEN NEXT FALL'S SOCIAL CLIMATE, IS VERY HARD TO PREDICT, BUT THE PCF'S APPARENT RETREAT TO ITS SEMI-GHETTO WOULD ARGUE FOR A PRESERVATION OF THE STATUS QUO AT WORST AND AT BEST A VERY SLOW MOVEMENT TOWARD LEFT/RIGHT DIALOGUE AND PRACTICAL COOPERATION.  
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FOUQUET IMPLIED THAT FRANCE'S ECONOMIC AND SOCIAL PROBLEMS WOULD NOT PERMIT SUCH A GRADUALIST APPROACH AND THAT THE ABSENCE OF MORE DRAMATIC AND SUCCESSFUL GISCARDIAN INITIATIVES WOULD STRAIN FRANCE'S PRESENT STABILITY.

4. PROPORTIONAL REPRESENTATION (PR): A WOULD-BE SOLUTION. FOUQUET CONFIRMED OUR IMPRESSION THAT PR FOR LEGISLATIVE ELECTIONS IS NO LONGER UNDER ACTIVE CONSIDERATION IN THE ELYSEE: FIRST BECAUSE THE PUBLIC IS SATURATED WITH ELECTIONEERING AND SECONDLY BECAUSE THE MAJORITY WOULD NOT HAVE DONE SO WELL UNDER THAT SYSTEM. FOUQUET HIMSELF WAS SOMEWHAT NOSTALGIC FOR THIS IDEA WHICH WAS MUCH DISCUSSED IN THE ELYSEE LAST YEAR AND EVEN MAINTAINED THAT THE GOF WOULD HAVE KEPT ITS MAJORITY UNDER PR. HE SEEMED TO FAVOR PR AS THE ONE INITIATIVE WHICH COULD BREAK THE PRESENT POLITICAL LOGJAM; BUT HE ADMITTED ITS DEMISE FOR NOW, AS HE DID FOR GISCARD'S EARLIER (BUT NOW DISCARDED) ATTEMPT TO RAID THE PS AND MRG OF SOME OF THEIR MORE MODERATE LEADERS. FOR THESE ADDITIONAL REASONS, FOUQUET SEES THE POSSIBILITIES OF A POLITICAL BREAKTHROUGH WITH THE LEFT AS VERY SLIGHT IN THE NEXT COUPLE OF YEARS.

NOTE: RPR PRESIDENT CHIRAC CAME OUT ON JUNE 24 AGAINST GISCARD'S SUGGESTION EARLIER THIS MONTH FOR PR IN CITIES WITH A POPULATION OVER 30,000. THOUGH THE RPR ORIGINALLY VOICED APPROVAL, CHIRAC CHARACTERIZED THIS REFORM AS "A FIRST STEP TOWARD LAXITY AND COMPROMISE."

5. BUT GISCARD'S POSITION REMAINS STRONG: THE ABOVE, RATHER GLOOMY PROSPECTS FOR BETTER RELATIONS AMONG THE PARTIES SHOULD NOT, HOWEVER, SERIOUSLY THREATEN GISCARD'S FRONT POSITION FOR REELECTION IN 1981. HIS POSITION CONFIDENTIAL

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SITUATION, SAYS FOUQUET, IS AS MUCH DUE TO HIS RIVALS' PROBLEMS AS HIS OWN STRENGTHS. CHIRAC HAS A SERIOUS PROBLEM OF KEEPING HIS RPR DEPUTIES IN LINE, AS WAS SEEN DURING HIS DISPUTE WITH THE GOF OVER PARIS' BUDGET, WHILE MITTERRAND IS PRACTICALLY IN A MINORITY POSITION IN HIS OWN PARTY. HE SAID IT WAS TOO EARLY TO KNOW IF MITTERRAND WOULD RUN IN 1981, BUT VENTURED THAT IN ANY CASE HIS CHANCES WERE SLIGHT AGAINST GISCARD.

6. SOME OPENING WITH LABOR: FOUQUET WAS DISAPPOINTED BY THE PATRONAT'S RELUCTANCE IN NEGOTIATING WITH THE UNIONS. THREE MONTHS AFTER THE CFDT'S PUBLIC TURN-AROUND

AND THE UNIONS' CELEBRATED CALLS ON THE PRESIDENT AND PRIME MINISTER, THERE IS LITTLE TO SHOW THE WORKERS IN CONCRETE TERMS. SEVERAL FACTORS EXPLAIN THE SLOW START: THE POLITICAL LEADERS WERE SURPRISED BY THE EASY ELECTION VICTORY IN MARCH AND WERE NOT PSYCHOLOGICALLY PREPARED TO REACT IMMEDIATELY; THEY AND BUSINESS THOUGHT THEY HAD FIVE YEARS OF PEACE AHEAD OF THEM, SO WHAT'S THE RUSH; FINALLY, APPLYING GOF PRESSURE ON THE 44-BRANCH PATRONAT IS MORE COMPLICATED THAN ONE WOULD THINK. BUT FOUQUET BELIEVES THE PATRONAT, AND CERTAINLY THE GOF, APPRECIATE THAT VALUABLE TIME HAS BEEN LOST AND THAT NEGOTIATIONS SHOULD PRODUCE SOME RESULTS BEFORE THE AUGUST VACATIONS. THE METALLURGY SECTOR WILL BE MOST IMPORTANT AND WILL CALL THE TUNE FOR THE REST OF INDUSTRY. THE RESULTS WILL HAVE A BEARING ON WHETHER OR NOT THERE WILL BE LABOR PEACE IN THE FALL. FOUQUET CONCLUDED THAT IT WAS DIFFICULT TO KNOW WHAT THE RESULTS OF

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/063 W

-----103289 300905Z /12

R 292054Z JUN 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 4099  
INFO AMCONSUL BORDEAUX  
AMCONSUL LYON  
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THESE NEGOTIATIONS WOULD BE AND EVEN MORE DIFFICULT TO SECOND-GUESS THEIR POLITICAL CONSEQUENCES. NEVERTHELESS, HE WAS LESS PESSIMISTIC ON THE LABOR SCENE THAN FOR POLITICAL PROSPECTS.

7. THE FUTURE OF BARRE AND STAFF CHANGES AT THE ELY-  
SEE: FOUQUET OUTLINED A STRANGE SCENARIO FOR PRIME  
MINISTER BARRE: IF HIS ECONOMIC PLAN WORKED, HE WOULD  
BE SACRIFICED TO BRING IN A NEW FACE BEFORE THE 1981  
ELECTIONS AND TO PERMIT A LOOSENING OF ECONOMIC MEASU-  
RES. IF HIS PLAN DID NOT WORK, THE SITUATION WOULD BE  
ALMOST TOO DARK TO CONTEMPLATE. WHETHER BARRE STAYS OR  
GOES WAS LEFT UNANSWERED. FOUQUET THEN REPEATED WHAT  
WE HAVE HEARD ABOUT THE NEW SUCCESSOR OF YVES CANNAC AS  
DEPUTY SECRETARY GENERAL: JACQUES WAHL, UNTIL RECENTLY  
FINANCIAL COUNSELOR IN WASHINGTON. WAHL, A FORMER  
ADVISOR TO GISCARD AT THE FINANCE MINISTRY, IS BEING  
GROOMED TO REPLACE FRANCOIS-PONCET AS SECRETARY GENERAL,  
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IF AND WHEN THE LATTER IS NAMED TO REPLACE DE GUIRIN-  
GAUD AT THE FOREIGN MINISTRY. FOUQUET THOUGHT THESE  
CHANGES WOULD TAKE PLACE WITHIN A YEAR, THAT THE QUAI  
WOULD THEN REASSUME SOME OF ITS LOST GLORY UNDER ITS  
NEW LEADERSHIP, THAT THE NEW FOREIGN MINISTER WOULD  
DEAL DIRECTLY WITH THE PRESIDENT MORE THAN THE PRESENT  
FOREIGN MINISTER DOES, BUT THAT WAHL, DESPITE HIS MAIN-  
LY MONETARY BACKGROUND, WILL ALSO HAVE AN ACTIVE HAND  
IN ALL ASPECTS OF FOREIGN POLICY.

8. COMMENT: WHILE GISCARD OBVIOUSLY HAS SOME BIG PRO-  
BLEMS TO MANAGE BETWEEN NOW AND 1981 (PRIMARILY ECONOMIC  
BUT ALSO THE RELUCTANT SUPPORT OF THE RPR HALF OF HIS  
MAJORITY), HE IS PROBABLY IN A STRONGER POSITION THAN  
FOUQUET DESCRIBES. GISCARD CAME OUT OF THE ELECTIONS  
THE PRINCIPAL WINNER, WITHOUT HAVING OVERLY COMMITTED  
HIMSELF DURING THE CAMPAIGN AND WITHOUT PAYING ANY OTHER  
MAJOR POLITICAL COSTS; HE HAS MAINTAINED HIS STANDING  
ABOVE THE POLITICAL PARTIES; HIS POPULARITY REMAINS  
HIGH, THOUGH LOWER THAN IN MARCH/APRIL; AND HE HAS IN EF-  
FECT LAUNCHED HIS PRESIDENTIAL STRATEGY OF GRADUAL RE-  
FORM IN HIS JUNE 14 PRESS CONFERENCE. HIS STAFF, CONCEN-  
TRATING AS IT DOES ON THE PROBLEMS OF THE DAY, MAY BE  
EXCUSED FOR ITS GLOOMY VIEWS; IT CERTAINLY FELL INTO  
THAT PSYCHOLOGICAL SLUMP BEFORE THE MARCH ELECTIONS.  
IN SUM, WE WOULD NOT CHOOSE BETWEEN THE TWO EXTREMES,  
NEITHER HIS PESSIMISM NOR THE SORT OF OPTIMISM ONE  
FINDS IN THE PR/UDF; FOUQUET'S DOUBTS AND UNPREDICTABI-  
LITY WHEN TALKING OF THE RESULTS OF THE LABOR NEGOTIA-  
TIONS SEEM ABOUT THE RIGHT DESCRIPTION ALSO FOR THE  
BROADER POLITICAL PICTURE FOR THE NEXT THREE YEARS.  
THAT IS, GISCARD LOOKS STRONG TODAY, BUT MUCH COULD HAP-  
PEN OVER THREE YEARS TO CHANGE THIS SITUATION.  
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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESIDENT, POLITICAL SITUATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780270-0399  
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**Original Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
**Page Count:** 7  
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**Previous Handling Restrictions:** n/a  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2392240  
**Secure:** OPEN  
**Status:** NATIVE  
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**TAGS:** PGOV, PINT, ELAB, FR, (GISCARD D'ESTAING, VALERY)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/22bb568b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014